

**IBEW LOCAL 332 PENSION PLAN, PART B**  
**Meeting Minutes**  
**July 28, 2016**

A meeting of the Board of Trustees of the IBEW Local 332 Defined Contribution Pension Trust Fund was held on Thursday, July 28, 2016 at the IBEW Local 332 Union Hall in San Jose, California.

1. CALL TO ORDER

The meeting was called to order by Chairman Gerald Pfeiffer.

2. ROLL CALL

Union Trustees

Gerald Pfeiffer  
Pete Reyes, Jr.  
Larry Vasquez  
Alan Wieteska

Management Trustees

Tom Barrow  
Vic Castello  
Tim Daniels  
Bill Pfeiffer

Also in Attendance:

Doug Lung, NECA  
George Kraw and Katie Roselin, Kraw Law Group  
Sid Kaufmann and Marci Vukson, Kaufmann and Goble  
Joseph P. Herrle, J.H. Herrle and Associates  
Catherine Hickey, The Marco Consulting Group  
Michael Vukson, Wells Fargo Advisors  
Sue Campbell, Collection Attorney  
Donna Rios, Sandy Stephenson and Debbie Wolfe, Administrative Office

3. MINUTES

Following review of the Minutes, it was **M/S/C** to approve the June 23, 2016 Minutes as presented.

4. CORRESPONDENCE

- A. Ferguson Wellman – The investment manager sent a copy of its Forty-Year Report (1975-2015) and sent a copy of its Proxy Voting Report for the Second Quarter of 2016.
- B. Kaufmann and Goble – Kaufmann and Goble sent a letter dated July 25, 2016 which advised the Trustees that the firm returned \$34,347.38 as Fund Fee Recoveries for the second quarter of 2016.

5. DISBURSEMENTS AND RECIPROCITY REPORTS

The Trustees reviewed checks 1267-1275. It was **M/S/C** to approve the paid bills as presented. Next, the Trustees reviewed the outgoing reciprocity reports for the months of March, April and May of 2016. The Trustees reviewed the incoming reciprocity reports for April, May and June of 2016. Also reviewed was a Master List of Locals.

6. FINANCIAL STATEMENT

The financial statement for the month of May of 2016 was reviewed. It was **M/S/C** to approve the financial statement as submitted.

7. REPORT BY ADMINISTRATOR

A. Mandatory Distributions

Ms. Rios reported that there was one (1) member that received a mandatory distribution during the month of July 2016.

B. Age 70½ Required Minimum Distributions

Ms. Rios reported that there was one (1) member that received a required minimum distribution during the month of July 2016.

C. Travelers Report

The Trustees reviewed a current list of travelers. Ms. Stephenson noted that the total number of travelers who decided to leave their pensions with the local is 107.

D. Annual Meeting Update

Plans are underway for the Annual Meeting at Quail Lodge from September 27-30, 2016. More information will follow approximately one week prior to the Annual Meeting.

E. Annual Notice Regarding Plan Expenses

The Trustees reviewed a copy of the 104(d) Notice that was sent to all participants relating to the Plan's expenses. This was provided for information only.

F. Bill Paying Procedures

The Trustees reviewed a summary of the bill paying process for the Trust Fund, as well as UAS' administrative controls, UAS' internal auditing controls, controls by external auditors, Trustees' responsibilities in reviewing the paid bills and Trustee expenses.

8. REPORT BY INVESTMENT CONSULTANT – WELLS FARGO ADVISORS

A. Performance Update

Mr. Vukson reviewed his report. He reported that as of June 30, 2016 the balance in the Defined Contribution Plan was \$442,503,248.49. He gave an overview of the U.S. and International market environments. Next, Mr. Vukson provided an overview of the stock market and he discussed Brexit. Mr. Vukson reminded the Trustees that during the member education session he will remind members about the Exchange Policy when placing trades.

Mr. Vukson's report is attached to these Minutes.

9. REPORT BY KRAW LAW GROUP, ATTORNEYS

No report for this meeting.

10. REPORT BY ACTUARY AND CONSULTANT

A. Participant Activity Report

Ms. Vukson reviewed Kaufmann and Goble's Participant Activity Report dated July 28, 2016 covering the period of June 30, 2016.

11. OLD BUSINESS

None.

12. NEW BUSINESS

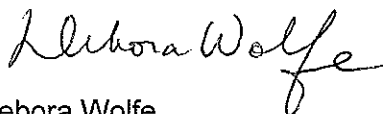
Chairman Pfeiffer inquired about a member whose Part B funds were kept here and cannot be remitted back to him since he has not retired. Ms. Rios said she would look into this matter and she will work with Legal Counsel on a letter to the member explaining the reasons that the Plan can't send his funds to him.

13. NEXT TRUSTEE MEETING DATE

The next regular meeting will be held at the IBEW Local 332 Union Hall on Thursday, August 25, 2016 immediately following the Defined Benefit Trust Meeting.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Debora Wolfe  
Recording Secretary

IBEW LOCAL 332 PART B MANDATOR... DISTRIBUTIONS  
July 2016

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NAME	ID#	LAST DATE WORKED
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1.) Steven Gardenheir	1906	Jan-79
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1.) Mr. Gardenheir is 71 and would like total distribution of his Part B





Michael J. Vukson, CFP®, AIF®  
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To: Trustees of I.B.E.W. Local 332  
From: Michael Vukson  
Date: July 28, 2016  
Re: I.B.E.W. Local 332 Trustee Meeting

## Defined Contribution Plan Balance as of June 30, 2016 - \$442,503,248.49

Investment performance for the period ending 06-30-2016 is attached.

### U.S. Economic Overview

- U.S. gross domestic product (GDP) improved to an annualized rate of 1.1% in the first quarter. Personal consumption increased by 1.5%. While personal consumption was weaker than expected, exports contributed to growth.
- Consumer confidence in June beat expectations and rose to the highest level in eight months.
- After a strong April, personal income and spending moderated in May. Incomes rose 0.2% in the month following a revised 0.5% gain in April. Spending climbed 0.4% after surging a recovery best 1.1% in April.
- June's U.S. employment report was well above expectations, with 287,000 net jobs added. Manufacturing payrolls declined by 3,000, but private payrolls added 265,000 jobs vs. an expected 170,000—the highest addition of the year. The unemployment rate increased to 4.9%. Wages rose 0.1% in June, up 2.6% over last year.
- The U.S. housing market continues to improve. Existing home sales increased 1.8% to a seasonally-adjusted 5.53 million-unit pace. The pace of construction and sales remains a positive for growth.

### International Economic Overview

- First-quarter Eurozone economic growth accelerated to 0.6%, quarter-over-quarter (q/q). Exports slowed during the quarter to 0.4% q/q vs. 0.7% q/q in the fourth quarter of 2015, while net exports on the whole improved. Regional economic activity remains supported by modestly positive business sentiment. Manufacturing sentiment accelerated to a six-month high of 52.6 in June from 51.5 in May.
- Japan's economy continues to face several headwinds in spite of a better-than-expected increase in GDP during the first quarter of 1.9%. Retail sales contracted at 1.9% year-over-year in May, its sharpest drop in 13 months.
- China's economy continues to stabilize thanks, in part, to Beijing's stimulus efforts. Total social financing increased 16% during the first five months of the year over the same period last year.

Together we'll go far



## Stock Market Review

- Brexit shocked markets, sending returns on a rocky ride, as 10-year Treasury yields plunged, global equities suffered and the yen soared on preference for perceived safe-haven assets. This was reflected in the returns of the Templeton Global Bond Fund in 2016 (-.43% vs the Citi WGBI Index of 3.41% for the 2<sup>nd</sup> quarter). Dr. Michael Hasenstab, the Fund's Portfolio Manager, is short the Yen. Japan represents approximately 24% of the Index.
- The S & P 500, despite the volatility, eked out a gain as investors calmed and concluded that Brexit's U.S. impact may be limited. The Vanguard Institutional Index returned 2.45% for the quarter.
- Mid-cap stocks were in the green, as illustrated by a 3.42% return for the quarter for the Vanguard Extended Market Index Fund. Riskier small caps were harder hit. The DFA US Targeted Value Portfolio was down 1.31% in June while the Loomis Sayles Small Cap Growth Fund returned .05% in the same time period. Both funds had positive quarterly returns of 1.34% and 2.79% respectively.
- Developed international equities were also hit hard. All European markets fell. The quarterly return on the American Funds Europacific Growth was down .41%. The broader base Vanguard Total Intl Stock Index was up .26% for the quarter. This investment tracks the performance of the FTSE Global All Cap ex US Index, which includes approximately 5,715 stocks of companies located in 45 countries.
- The Treasury yield curve flattened, primarily benefiting the long end of the curve. Intermediate maturities performed well, with 10-year Treasury securities returning 3.3% in June. The quarterly returns for the Mainstay Total Return Bond, PIMCO Total Return and JP Morgan Core Bond were 2.48%, 2.07% and 2.16 % respectively.

## Member Education

Members will continue to be reminded about the Exchange Policy when placing trades. The Policy, which is available on the website ([www.kandg.com](http://www.kandg.com)) states:

*The deadline to place an exchange order so as to be processed on the same business day is 1 p.m. Pacific Time (prior to the close of the markets). Exchange orders that are placed after the markets have closed will be processed on the following business day.*